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REVIEW AND UPDATE OF ECONOMIC IMPACT ANALYSIS  
ROCK FINANCIAL SHOWPLACE  
July 25, 2008

We have been the accounting firm utilized by Mr. Blair Bowman and his related entities for over ten years. Mr. Bowman requested we review the economic impact analysis prepared by Michigan Consultants prior to the opening of the Rock Financial Showplace and extrapolate using current operational data.

Michigan Consultants conducted an Economic Impact Analysis of the former Novi Expo Center facility as well as an anticipated direct economic impact from the then to be constructed "new facility" now known as the Rock Financial Showplace which included the following activities:

- Survey event promoters.
- Review event information.
- Analyze the state and national figures on spending by trade and consumer show attendees and exhibitors.
- Analyze tourism spending data.
- Review impact studies performed at other venues.
- Discussions and interviews with various commercial outlets near the facility.

Michigan Consultants identified usage figures derived from hosted event information and then utilized those figures to calculate direct economic impact in the following categories:

- Offsite spending by individuals.
- Local business spending by promoters and exhibitors.
- Local exhibitor "retained revenues" (product purchase dollars captured locally)
- NEC Expenditures.

Further on in the report Michigan Consultants identified an estimate of annual economic impact from the new expo center (Rock Financial Showplace) by combining the existing event impact with "new conventions or conferences". Once the overall economic impact was derived Michigan Consultants applied a multiplier factor of two (2). In the reviewer's opinion this was a conservative multiplier factor with many economic impact studies utilizing four to five times multiplier. It is with this lateral calculation that our review and update will deal with in substance. In short, we understand because of the uncertainty as to what new events were going to be generated in the new facility that it was difficult to project. However, one needs only to review the event master, a copy of which is contained herein, to see the extensive amount of new activity and impact that is being generated at the Rock Financial Showplace.

In performing this update we reviewed the above utilized methodology by Michigan Consultants and found the assumptions and figures to be basically sound as far as visitor days and expenditure data. We also examined the former Novi Expo Center Event Promoter list utilized by Michigan Consultants against the Event Master for the current event roster at the Rock Financial Showplace. It was determined that almost all of the events then being produced at the former Novi Expo Center are currently being produced or similar events to them at the Rock Financial Showplace. In addition, there are multiple additional major events as well as literally hundreds of additional conference, convention and meeting activities held at the new facility. We have adopted the procedure of utilizing the Michigan Consultants study as a base from which to work and applied an additional multiplier for the new facility for the actual activity being two (2) times that which was projected by the original study. The validity of this multiplier was further supported by information received from the box office management and the conference and banquet center marketing manager at the existing Rock Financial Showplace. Utilizing this similar methodology, total visitor days would be in excess of 1,750,000 and individual exhibits were estimated to be in excess of 25,000. These figures when injected into the Michigan Consultants impact model would yield an amount of impact well in excess of our two (2) times multiplier.

Finally, a calculation was performed to express the economic impact in terms of current year dollar values applying a traditional CPI increase analysis. The table below is a modification and expansion of Table C as contained in the original Executive Summary of the Michigan Consultants Economic Impact Study and provides for a calculation of the updated economic impact for the existing Rock Financial Showplace of \$675,916,000.

TABLE C* ANNUAL ECONOMIC IMPACTS FOR THE NEW NOVI EXPO CENTER		
DIRECT IMPACTS		
New conventions or conferences	\$ 12,570,000	
Present categories of events (Including incremental gains)	\$117,414,000	
DIRECT SUB-TOTAL		\$ 129,984,000
MULTIPLIER		2.0
AREA OF ECONOMIC IMPACT ATTRIBUTABLE TO THE NEW FACILITY (as previously projected)		\$ 259,968,000
MULTIPLIER (additional)		2.0
ACTUAL AMOUNT OF EVENTS AND EXPENDITURES EXPERIENCED IN THE ROCK FINANCIAL SHOWPLACE		\$ 519,936,000

$$\left( \frac{\text{June 2008 CPI} - \text{October 1999 CPI}}{\text{October 1999 CPI}} \right) =$$

$$\frac{218.815 - 168.2}{168.2}$$

$$1.30$$

$$\$519,936,000$$

$$\times 1.30 =$$

$$\$675,916,800.00$$

2008 Dollars

In conclusion, we believe that this extrapolation process is yielding a reasonable impact figure. As mentioned throughout the Michigan Consultant report it is worthy of emphasis that this is a major amount of economic impact derived uniquely through a privately funded operation in an environment which is almost solely and exclusively occupied by fully government subsidized operation.

It is also worth noting that this economic impact analysis does not take into consideration the economic impact from the onsite hotel planned to be constructed on the grounds of the Rock Financial Showplace. The planned hotel project will have a positive economic impact from a construction cost impact, job creation impact and tax revenue impact.

*Morris, Kalish + Walgren P.C.*

MORRIS, KALISH + WALGREN, P.C.

# EVENT PROMOTERS DURING A RECENT 12 MONTH PERIOD\*

AMC Network	Mich. Assn. of RVs & Campgrounds
American Diabetes Association	Mich. Boating Industries Assn.
American Show Management	Michigan Carwash Association
American Stitches	MI Inst. Of Laundering & Dry Cleaning, Inc.
American Woodworker	Michigan 50's Festival
Auntie Amy Stamps!	Michigan Restaurant Association
Blue Star Productions	Mich. United Conservation Clubs
Bride & Groom Pulications	Mid-Michigan Cat Fanciers
Building Industry Association	Miesel/Sysco
Convention Management Services	MLBA
Crown Amusements, Inc.	Motor City Convention, Inc.
Dairy Fresh Foods	Nat'l Assn. for college Adm. Counseling
Event Management Services	Nat'l Board of Medical Examiners
GATS, Ltd.	NOP Automotive
Gordon Food Service	Preparedness Expo
Great Lakes Marketing	Professional Trade Shows
Great Lakes Fitness Guide	Regency Communications
Great Northern Shows	RM Classic Car Productions, Inc.
Greenberg Shows, Inc.	RR Promotions
H & F Productions	Show Management
IBF Promotions	Show Promoter, Inc.
International Gem & Jewelry Inc.	Show Promotions
Job Shop Shows	Southern Shows, Inc.
Law Expo, Inc.	Sport Shows Promotions
Leisure Features	Sugarload Mountain Works, Inc.
Lipari Foods	The Big Idea
Livingston Kennel Club	US Food Service, Inc.
Mart Franchise Venture, Inc.	Wolverine Knife Collectors
Metro Detroit Landscape Assoc.	Woodworking Shows, Inc.
Metro Parent Magazine	Young President's Organization
Michigan Antique Arms Collectors	Detroit Int'l Festival

\*Taken from the 1999 Economic Impact Analysis of the Novi Expo Center

**ROCK FINANCIAL SHOWPLACE  
EVENT MASTER  
JULY 2007 - JULY 2008**

02/08 Antique Arms Show	Leone Imports Wine Tasting
1st Annual Nupsire Twilight Benefit Ball	Light Up A Life
1st Annual Providence Park Gala	Lipari
20th Annual MI Psychoanalytic Foundation Gala	Lisa & Ryan's Wedding Reception
40 under 40	LOC Federal Credit Union
A&D Technology - Cookie Drop Off	Lockwood Company
AAU Junior Olympics	Log Home & Timber Frame Expo
Abbott Diagnostics	MACPA Annual Tradeshow and Educational Seminars
ABC Bridal Group - Progressive Dinner	MACPA/Michigan Association of CPAs (4)
Accenture	Macy's
Accenture Meeting	Magic Gathering
ACT Testing Administration	Maintenance Shows of America
ADI Security Conference - 2008	Mary Kay, Inc.
AFPD Spring Show	Max to the Millions
AIAG Auto Tech	Measurement Instruments (2)
AIAG Automotive Industry Action Group (3)	Meijer Employee Awards Banquet
Airbiquity (icw Telematics)	Memorial Luncheon
AirTech	Mercy High School Basket Ball Banquet
Aisin World Corp. of America	Mercy High School Track Banquet
Alana & Sarah's Bat Mitzvah	MGIA Landscaping
Alana and Shon's Wedding	MHRA Banquet- Road Knights
Albion College	MI Association of Fire Chiefs
American Baby Faire	MI Nurses Association
American Dance Academy - Holiday Charity Performance	Michelle's Bat Mitzvah
American Diabetes Association	Michigan Association of Insurance and Financial Advisors
American Israel Public Affairs Committee (AIPAC)	Michigan Association of Realtors Professional Standards Workshop
American Legion (2)	Michigan Department of Transportation (icw MITS)
American Mitsuba - CANCELED	Michigan Facilities Expo
American Sewing Expo	Michigan Golf Show
An Afternoon with Sylvia Browne	Michigan International Spring Classic Car Auction
Andover High School 2008 Prom	Michigan International Wine Expo
Ankit's Thread Ceremony / Luncheon	Michigan Kiwanis
Annual Care Giver Fair	Michigan Manufacturing Technology Center
Antique Arms Show - Nov	Michigan Meetings Expo
Antique Arms Show - Sept	Michigan Republican Party (2)
Arab Story Premier	Michigan Self Insurers' Association (2)
Ariella and Michael's Wedding	Michigan State Medical Society Leadership Training
Ashley's Bridal Shower	Michigan Women's Business Council
Asian Indian Womens Association	Michigan Women's Foundation
Association/Lion King FAM	Midwest Carwash Association

**ROCK FINANCIAL SHOWPLACE  
EVENT MASTER  
JULY 2007 - JULY 2008**

Autism Speaks (3)	Milford High School 2008 Prom
Autocross/Drift - CANCELED EVENT	MMHA Installer Course
Automation Alley	MMPI Board Meeting
Automotive Finishing Conference	Moldmaking Expo
Automotive Services Association of Michigan Seminar	Mother's Day Brunch
AVL - Testing Expo Reception	MTS Systems Corp. Luncheon
Blue Cross Blue Shield (10)	MTS Systems Corp. Reception
BMW Competitive Forum Live	My Favorite Bead Show
B'nai B'rith International	NAACP for Southern Oakland County
Boat Wars at the ROCK	National Corvette Restorers Society Board Meeting
Bridal Expo 2008	National Society of Hispanic MBA's
Business Planning Meeting	New Horizons Computer Learning Centers of Michigan
Cadillac Sales Training	New Year's Eve Gala
CAM Breakfast	Noah's Bar Mitzvah
CAM- VIP Annual Luncheon and Reception	North Central Association Fall Conference
Canadian Consulate Breakfast/Meeting	Northville HS 2008 Prom
Canadian Consulate Reception-ITEC	Northville HS Mens Track & Field Banquet
Caribbean Tour Organization	Northville Wrestling Banquet
Carolyn's 60th Birthday	Northville Youth Football
CC Mother's Club Fashion Show	Northwood University
Central Michigan University Center for Charter Schools	Novi Bobcats Football
Ceremony Rehearsal	Novi Boy's Soccer Banquet
Cessna	Novi Chamber of Commerce
Chabad Dinner	Novi Educational Foundation Fundraiser
Cheer Banquet	Novi High School 30th Class Reunion
Chinese New Year	Novi High School Awards Night
Christmas Show	Novi High School Class Reunion
Cisco Systems, Inc.	Novi High School Marching Band
Citation Corporation	Novi High School Prom - 2008
City Mission Annual Fundraiser	Novi High School Swim Banquet
Clarkston High School Prom	Novi High School Track Banquet
Club Extreme Volleyball Banquet	Novi Newcomers and Neighbors
Cody High School 30th Reunion	Novi Parks Foundation Fundraiser
Comau Pico	Novi Sturgeons Swim Team
Comerica Team Meeting	NTC America Corp Holiday Dinner
Comic Con	NTH Consultants, Ltd.
Community Institute for Associations-CAI	Oakland Chamber Networking Event
Corvette Regional Judging Event	Oakland Community College-Reception
Covenant House Michigan 1st Annual Fundraiser	Oakland County Department of Economic Development & Community Affairs
CSI Hors D'oeuvre Party	Oakland County Fall Update

**ROCK FINANCIAL SHOWPLACE  
EVENT MASTER  
JULY 2007 - JULY 2008**

Cure 43	Original Equipment Suppliers Association
CVS Pharmacy	Outdoorama & Cottage Lake Front Living
CW50 - CBS Television Stations - Detroit (2)	Patrick & Mandi's Wedding
Dakota Integrated Systems Company Vision Meeting	Pinckney High School Prom
Dance Competition	Player One Productions
Danlaw Inc. (2)	Pool & Spa Show
Design & Construction Expo	Prayer Breakfast
Detroit Area Agency on Aging	PSA Award Banquet
Detroit Catholic Central High School	Quality Expo
Detroit Chinese Business Association (DCBA)	Quicken Loans Meeting (5)
Detroit Free Press Marathon/Bowman Challenge	R.L. Polk & Company
Detroit Medical Center / Women's Show Event 2008	Raval Birthday Celebration
Dodge/Chrysler Minivan & Liberty Launch	Red Cross Blood drive
Dr. Sheremeta and Dr. Modi's Office Holiday Dinner	REIA Seminar (2)
dSPACE	Renee's Bridal Shower
DTE Energy Conference	Research In Motion - Reception for Sprint
E Commerce	Restaurant & Lodging Expo
Eagle Scout Dinner	Rizal Day 2007
Easter Brunch	Roncelli, Inc.
Ecolab	Roopal and Ankoor's Wedding
Ecolab Quick Serve	Ruby & Sarwan's Wedding
Empowerment	SAAB Ride and Drive
Engineering Society of Detroit-Future Cities Competition	Samantha and Kyle's Wedding
Ernst & Young Insurance Round Table	Scrapbook Megameet Exhibitor Reception
Evan's Bar Mitzvah	Scrapbook Show
Exatec	Self Insurer's Conference Breakfast
Experience West Oakland (2)	SEMCOG
Fall Bridal Show	Sherwood Food Distributors Luncheon
Fall Camper Show	Snow Management Conference & Expo
Fall Remodeling & Design Show	Snowmobile USA
Fall Sugarloaf Art Fair	Soofi Pre Wedding Dinner
Family Pet Expo	Southeast Michigan Association of Fire Chiefs
First Conferences Ltd.	Spillane and Reynolds Orthodontists
FIRST Lego	Spring Boating Expo
Franchise & Business Expo	Spring Detroit Camper & RV Show
FreeScale	Spring Home & Garden
Frontier Distributing	Spring Sugarloaf Art Fair
Gail & Rice Ride and Drive Training	Spring Tour
Garima and Harbinder's Wedding	Sprint (5)
Gem & Jewelry Show	State Association FAM

# ROCK FINANCIAL SHOWPLACE

## EVENT MASTER

JULY 2007 - JULY 2008

Gem & Jewelry Show	State Farm Chuck Moran (2)
General Motors (3)	State of the City Address
Giant Motorcycle Swap Meet	Stephen Hudson's Retirement Party
Girl Scout Dinner	Structural Images
Glory Foods-NOT USING ROOM!	SURPRISE 60th Company Anniversary
GM Meeting	TA Instruments
Gold Awards Dinner	TCF Bank (7)
Gordon Food Show	Techniques of Alcohol Management (2)
Gracenote Meeting (Telematics Exhibitor)	Telcordia Meeting
Graduation Celebration	Teleatlas (icw First Conferences)
Great Lake International Aviation Conference	Test Preparation Workshops (2)
Great Lakes Employee Benefit Services	Testing Expo
Great Train Expo	Testing Expo Dinner
Greater Novi Chamber of Commerce (2)	Thaddeus G. McCotter Rally
Greek World Story Premier	Thanksgiving Day Buffet
Gymnastic Banquet	Thurston High School 2008 Prom
Harada Industry of America Christmas Party	Toll Brothers - canceled event!
Heather & Dan's Wedding	Toyota Motor Sales/Ohio Sequoia/Corolla/Matrix Preview
Heather's Baby Shower	Toyota Tech Center Holiday Party
Heirloom Novi Rubber Stamp & Paper Art Festival	Tracey & Kevin's Wedding
Holiday Beverage Show	Trends Fall Show
Home Improvement	UFCW 951 Conference
Howell HS Girls Swim/Dive Team Banquet	Ultimate Fishing Show
ICSC Michigan Idea Exchange (2)	United Stationers
IITAP CSAT's Training	Valentines Dance
India Day	Vector Cantech
IN-HOUSE -Cheryl Stern (Baby shower)	Vector CANtech Inc.
Inrix Meeting (Telematics Exhibitor)	Vector Marketing (2)
Intel Corporation	Verizon Wireless
International Motorcycle Show	Visions - Massage Training Session (2)
International Womens Show	Walled Lake Braves Football Banquet
ITC Holiday Party	Walt's 80th Birthday
ITEC	Waste Management
ITS Annual Meeting and Exhibition	Wayne Dyer Event
Jackson-Dawson (14)	Wayne Memorial High School Reunion
Jake's Superbowl Weekend Bar Mitzvah	Weiss Environmental Technologies - Reception Room
Jessica and Johnathon's Wedding	Wendy's 'Sparkle Meeting'
Jessica and Yossi's Wedding	Western Wayne County Fire Dept Mutual Aid Association
John Deere Landscapes	Willis of Michigan Inc.
Joint Provider Surveyor Training (2)	Wind River meeting (Telematics Exhibitor)



**ROCK FINANCIAL SHOWPLACE  
EVENT MASTER  
JULY 2007 - JULY 2008**

Juzo	Wine, Chocolate, Jazz & All That Art
Ken & Lindsey's Wedding	Wolverine Knife/Antique Arms Show
Kiss-Auction Launch Party	Women of the Red Hat Society Holiday Luncheon
Kroger (3)	Women of the Year
Lacrosse Banquet	Woodworking Show
Lamborghini Troy Ride and Drive	Zack's Bar Mitzvah

# EXECUTIVE SUMMARY ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

## MISSION OF PROJECT

The Novi Expo Center (NEC) has been in operation for over seven years. Hundreds of thousands of individuals are attracted to Novi annually to attend the various trade shows, consumer shows, civic events, conferences, and other functions that utilize the center. The NEC is unique in that *it is the only convention/expo center of substantial size in Michigan that is privately owned and operated.*

This report identifies and enumerates the economic activity and impacts generated by the existing NEC. These figures exhibit what the NEC means to the area and the loss that would occur if the facility no longer existed within Novi. The analysis also provides projections for the additional benefits that would be generated from a new facility. The consultants undertook a variety of tasks in order to generate well-founded impact estimates. These activities included:

- Survey of event promoters.
- Review of event information in NEC archives.
- Analysis of state and national figures on spending by trade and consumer show attendees and exhibitors.
- Analysis of tourism spending data.
- Review of impact studies performed at other venues.
- Discussions with various commercial outlets near the center.

## USAGE FIGURES

During a recent 12-month period, the NEC hosted 68 major events, most being several days in length. The trade shows drew attendees from selected target groups while the consumer shows and civic events drew from the public at large. The center also hosted numerous small, non-published, events. In that the NEC itself typically does not serve as an event promoter, exact historic records on attendees and exhibitors are not available. In order to develop the usage figures NEC data was supplemented by a survey of promoters and national surveys. The results are summarized in Table A.

TABLE A TOTAL VISITOR ESTIMATES FOR 12 MONTH PERIOD	
Visitor days	769,854
Individual exhibits	11,697
Room nights	68,589

**EXECUTIVE SUMMARY**  
**ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER**

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**ECONOMIC IMPACTS**

The visitors spend money off-site on such things as hotels, restaurants, and retail items. The exhibitors and promoters also spend dollars off-site for goods and services that aid with making the event a success. The consumer shows also attract people from throughout southeastern Michigan, the Midwest, and Canada to purchase goods at the events, many from local firms and vendors. The NEC also has a substantial budget, with the dollars flowing to the local economy.

These various expenditures result in economic impacts for the Novi area, Oakland County and Southeastern Michigan. **Table B** exhibits the total direct impacts.

<b>TABLE B</b> <b>ANNUAL DIRECT IMPACT TOTALS FOR THE NOVI EXPO CENTER</b>	
<b>OFF-SITE SPENDING BY INDIVIDUALS</b>	<b>\$34,533,190</b>
<b>LOCAL BUSINESS SPENDING BY PROMOTERS AND EXHIBITORS</b>	<b>\$6,025,100</b>
<b>LOCAL EXHIBITOR "RETAINED REVENUES" (product purchase dollars captured locally)</b>	<b>\$47,353,075</b>
<b>NEC EXPENDITURES</b>	<b>\$7,000,000</b>
<b>TOTAL DIRECT IMPACTS</b>	<b>\$94,911,365</b>

The full report delineates the manner in which care was taken to differentiate those dollars that were new to the geographic area or were retained in the area from dollars that simply passed through or that represent only a temporary shift. The report also identifies how the expenditure and impact factors utilized were more conservative than those used in similar studies for events and centers in other areas of the nation.

**GROSS IMPACT AFTER CONSIDERATION OF MULTIPLIER EFFECTS**

The dollars expended ripple through the economy via successive rounds of spending. The RIMS-2 model from the Bureau of Economic Analysis uses 2.075 as the multiplier for lodging and entertainment, 2.327 for eating and dining, and 2.244 for retail. The consultants choose to use a more conservative multiplier of 2.0 for all expenditures.

EXECUTIVE SUMMARY  
ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

Using this multiplier, *the annual economic impact of the Novi Expo Center is calculated to be \$189,800,000 annually.* Given the location of exhibitors, as well as the restaurants, hotels, and retail stores, it is reasonable to calculate that more than half this figure occurs in *Oakland County--- approximately \$100,000,000 annually.*

*These are extremely impressive totals, particularly considering that the NEC opened less than a decade ago, operates in a retrofitted facility built for other purposes, and has not received any public subsidies.*

**INCREASED ECONOMIC IMPACTS AT A NEW FACILITY**

The report notes the limitations of the existing facility and the improvements planned for the new Novi Expo Center. The new facility will increase economic impacts by being able to attract large-scale conferences and conventions that the present facility cannot accommodate, and by increasing the number of attendees and exhibitors at present events. *It is stressed that the most important economic impact created by the new facility is retention of the present base of economic benefits.*

Table C exhibits the key totals for the new facility. *The annual economic impact of the new center is calculated to be over one-quarter of a billion dollars.* This figure is arrived at through conservative assumptions, caution in avoiding double counting, and exclusion of economic activities that occur outside of the general geographic region.

TABLE C ANNUAL ECONOMIC IMPACTS FOR THE NEW NOVI EXPO CENTER			
DIRECT IMPACTS			
	New conventions or conferences	\$12,570,000	
	Present categories of events (including incremental gains)	\$117,414,000	
	DIRECT SUB-TOTAL		
MULTIPLIER			2.0
AREA ECONOMIC IMPACT ATTRIBUTABLE TO THE NEW FACILITY			\$259,968,000

At least 65% of the benefits are attributable to Oakland County, and a large portion is captured within Novi itself.

EXECUTIVE SUMMARY  
ECONOMIC IMPACT ANALYSIS OF THE NOVI EXPO CENTER

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**EMPLOYMENT (on-going)**

The direct spending displayed in **Table B** creates employment. The figures calculate to an estimated **1,582 full-time equivalent jobs**. Additional positions are created by ripple effects in the economy.

The new center will assure that present employment created from present economic impacts is retained and additional employment occurs. The report calculates that **1,957 full-time equivalent jobs will be created/retained by the new facility**. Ripple effect positions increase this total.

**CONSTRUCTION IMPACTS**

The construction of the new facility will also produce a direct economic benefit to the area. A reasonable new construction estimate is \$12,000,000, although detailed cost engineering has not been completed. The local spending by construction company employees and subcontractors will further expand the economic impacts gained from construction.

**A COMPETITIVE ENVIRONMENT**

The final chapter of the report notes that the NEC operates in a competitive environment against heavily subsidized competition. A review of other centers in the Midwest with over 100,000 square feet of exposition space found only one other facility that was privately operated. The other major centers in Michigan (in Detroit, Lansing, and Grand Rapids) receive large public subsidies. Grand Rapids recently received a direct state appropriation of \$60,000,000 and a County appropriation of \$15,000,000 to aid with their new facility.

**SUBSTITUTE FOR  
SENATE BILL NO. 376**

A bill to amend 1974 PA 198, entitled

"An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,"

by amending section 2 (MCL 207.552), as amended by 2010 PA 273.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. (1) "Commission" means the state tax commission  
2       created by 1927 PA 360, MCL 209.101 to 209.107.

3       (2) "Facility" means either a replacement facility, a new  
4       facility, or, if applicable by its usage, a speculative building.

5       (3) "Next Michigan development corporation" means that term as



1 defined in section 3 of the next Michigan development act, 2010 PA  
2 275, MCL 125.2953.

3 (4) "Replacement facility" means 1 of the following:

4 (a) In the case of a replacement or restoration that occurs on  
5 the same or contiguous land as that which is replaced or restored,  
6 industrial property that is or is to be acquired, constructed,  
7 altered, or installed for the purpose of replacement or restoration  
8 of obsolete industrial property together with any part of the old  
9 altered property that remains for use as industrial property after  
10 the replacement, restoration, or alteration.

11 (b) In the case of construction on vacant noncontiguous land,  
12 property that is or will be used as industrial property that is or  
13 is to be acquired, constructed, transferred, or installed for the  
14 purpose of being substituted for obsolete industrial property if  
15 the obsolete industrial property is situated in a plant  
16 rehabilitation district in the same city, village, or township as  
17 the land on which the facility is or is to be constructed and  
18 includes the obsolete industrial property itself until the time as  
19 the substituted facility is completed.

20 (5) "New facility" means new industrial property other than a  
21 replacement facility to be built in a plant rehabilitation district  
22 or industrial development district.

23 (6) "Local governmental unit" means a city, village, township,  
24 or next Michigan development corporation located in this state. For  
25 purposes of this act, if a next Michigan development corporation  
26 establishes a plant rehabilitation district or an industrial  
27 development district, the next Michigan development corporation



1 shall act as the local governmental unit in establishing and  
2 operating the plant rehabilitation district or the industrial  
3 development district.

4 (7) "Industrial property" means land improvements, buildings,  
5 structures, and other real property, and machinery, equipment,  
6 furniture, and fixtures or any part or accessory whether completed  
7 or in the process of construction comprising an integrated whole,  
8 the primary purpose and use of which is the engaging in a high-  
9 technology activity, operation of a strategic response center,  
10 operation of a motorsports entertainment complex, operation of a  
11 logistical optimization center, operation of qualified commercial  
12 activity, operation of a major distribution and logistics facility,  
13 the manufacture of goods or materials, creation or synthesis of  
14 biodiesel fuel, or the processing of goods and materials by  
15 physical or chemical change; property acquired, constructed,  
16 altered, or installed due to the passage of proposal A in 1976; the  
17 operation of a hydro-electric dam by a private company other than a  
18 public utility; or agricultural processing facilities. Industrial  
19 property includes facilities related to a manufacturing operation  
20 under the same ownership, including, but not limited to, office,  
21 engineering, research and development, warehousing, or parts  
22 distribution facilities. Industrial property also includes research  
23 and development laboratories of companies other than those  
24 companies that manufacture the products developed from their  
25 research activities and research development laboratories of a  
26 manufacturing company that are unrelated to the products of the  
27 company. For applications approved by the legislative body of a





1 local governmental unit between June 30, 1999 and December 31,  
2 2007, industrial property also includes an electric generating  
3 plant that is not owned by a local unit of government, including,  
4 but not limited to, an electric generating plant fueled by biomass.  
5 For an industrial development district created before July 1, 2010,  
6 industrial property also includes an electric generating plant that  
7 is fueled by biomass that is not owned by a unit of local  
8 government if the electric generating plant involves the reuse of a  
9 federal superfund site remediated by the United States  
10 environmental protection agency and an independent study has  
11 concluded that the electric generating plant would not have an  
12 adverse effect on wood supply of the area from which the wood  
13 supply of the electric generating plant would be derived. An  
14 electric generating plant described in the preceding sentence is  
15 presumed not to have an adverse impact on the wood supply of the  
16 area from which the wood supply of the electric generating plant  
17 would be derived if the company has a study funded by the United  
18 States department of energy and managed by the department of  
19 energy, labor, and economic growth that concludes that the electric  
20 generating plant will consume not more than 7.5% of the annual wood  
21 growth within a 60-mile radius of the electric generating plant.  
22 Industrial property also includes convention and trade centers in  
23 which construction begins not later than December 31, 2010 and is  
24 over 250,000 square feet in size or, if located in a county with a  
25 population of more than 750,000 and less than 1,100,000, is over  
26 100,000 square feet in size or, if located in a county with a  
27 population of more than 26,000 and less than 28,000, is over 30,000

1 square feet in size. INDUSTRIAL PROPERTY ALSO INCLUDES A HOTEL OR  
2 MOTEL THAT HAS ADDITIONAL MEETING OR CONFERENCE SPACE AND THAT IS  
3 ATTACHED TO A CONVENTION AND TRADE CENTER THAT IS DESCRIBED IN THE  
4 PREVIOUS SENTENCE. Industrial property also includes a federal

5 reserve bank operating under 12 USC 341, located in a city with a  
6 population of 750,000 or more. Industrial property may be owned or  
7 leased. However, in the case of leased property, the lessee is

8 liable for payment of ad valorem property taxes and shall furnish  
9 proof of that liability. For purposes of a local governmental unit  
10 that is a next Michigan development corporation, industrial

11 property includes only property used in the operation of an  
12 eligible next Michigan business, as that term is defined in section  
13 3 of the Michigan economic growth authority act, 1995 PA 24, MCL

14 207.803. Industrial property does not include any of the following:  
15 (a) Land.

16 (b) Property of a public utility other than an electric  
17 generating plant that is not owned by a local unit of government as  
18 provided in this subsection.

19 (c) Inventory.

20 (8) "Obsolete industrial property" means industrial property  
21 the condition of which is substantially less than an economically  
22 efficient functional condition.

23 (9) "Economically efficient functional condition" means a  
24 state or condition of property the desirability and usefulness of  
25 which is not impaired due to changes in design, construction,  
26 technology, or improved production processes, or from external  
27 influencing factors that make the property less desirable and



1 valuable for continued use.

2 (10) "Research and development laboratories" means building  
3 and structures, including the machinery, equipment, furniture, and  
4 fixtures located in the building or structure, used or to be used  
5 for research or experimental purposes that would be considered  
6 qualified research as that term is used in section 41 of the  
7 internal revenue code, 26 USC 41, except that qualified research  
8 also includes qualified research funded by grant, contract, or  
9 otherwise by another person or governmental entity.

10 (11) "Manufacture of goods or materials" or "processing of  
11 goods or materials" means any type of operation that would be  
12 conducted by an entity included in the classifications provided by  
13 sector 31-33 - manufacturing, of the North American industry  
14 classification system, United States, 1997, published by the office  
15 of management and budget, regardless of whether the entity  
16 conducting that operation is included in that manual.

17 (12) "High-technology activity" means that term as defined in  
18 section 3 of the Michigan economic growth authority act, 1995 PA  
19 24, MCL 207.803.

20 (13) "Logistical optimization center" means a sorting and  
21 distribution center that optimizes transportation and uses just-in-  
22 time inventory management and material handling.

23 (14) "Commercial property" means that term as defined in  
24 section 2 of the obsolete property rehabilitation act, 2000 PA 146,  
25 MCL 125.2782.

26 (15) "Qualified commercial activity" means commercial property  
27 that meets all of the following:



1 (a) At least 90% of the property, excluding the surrounding  
2 green space, is used for warehousing, distribution, or logistic  
3 purposes and is located in a county that borders another state or  
4 Canada or for a communications center.

5 (b) Occupies a building or structure that is greater than  
6 100,000 square feet in size.

7 (16) "Motorsports entertainment complex" means a closed-course  
8 motorsports facility, and its ancillary grounds and facilities,  
9 that satisfies all of the following:

10 (a) Has at least 70,000 fixed seats for race patrons.

11 (b) Has at least 6 scheduled days of motorsports events each  
12 calendar year, at least 2 of which shall be comparable to nascar  
13 nextel cup events held in 2007 or their successor events.

14 (c) Serves food and beverages at the facility during  
15 sanctioned events each calendar year through concession outlets, a  
16 majority of which are staffed by individuals who represent or are  
17 members of 1 or more nonprofit civic or charitable organizations  
18 that directly financially benefit from the concession outlets'  
19 sales.

20 (d) Engages in tourism promotion.

21 (e) Has permanent exhibitions of motorsports history, events,  
22 or vehicles.

23 (17) "Major distribution and logistics facility" means a  
24 proposed distribution center that meets all of the following:

25 (a) Contains at least 250,000 square feet.

26 (b) Has or will have an assessed value of \$5,000,000.00 or  
27 more for the real property.



- 1 (c) Is located within 35 miles of the border of this state.
- 2 (d) Has as its purpose the distribution of inventory and
- 3 materials to facilities owned by the taxpayer whose primary
- 4 business is the retail sale of sporting goods and related
- 5 inventory.

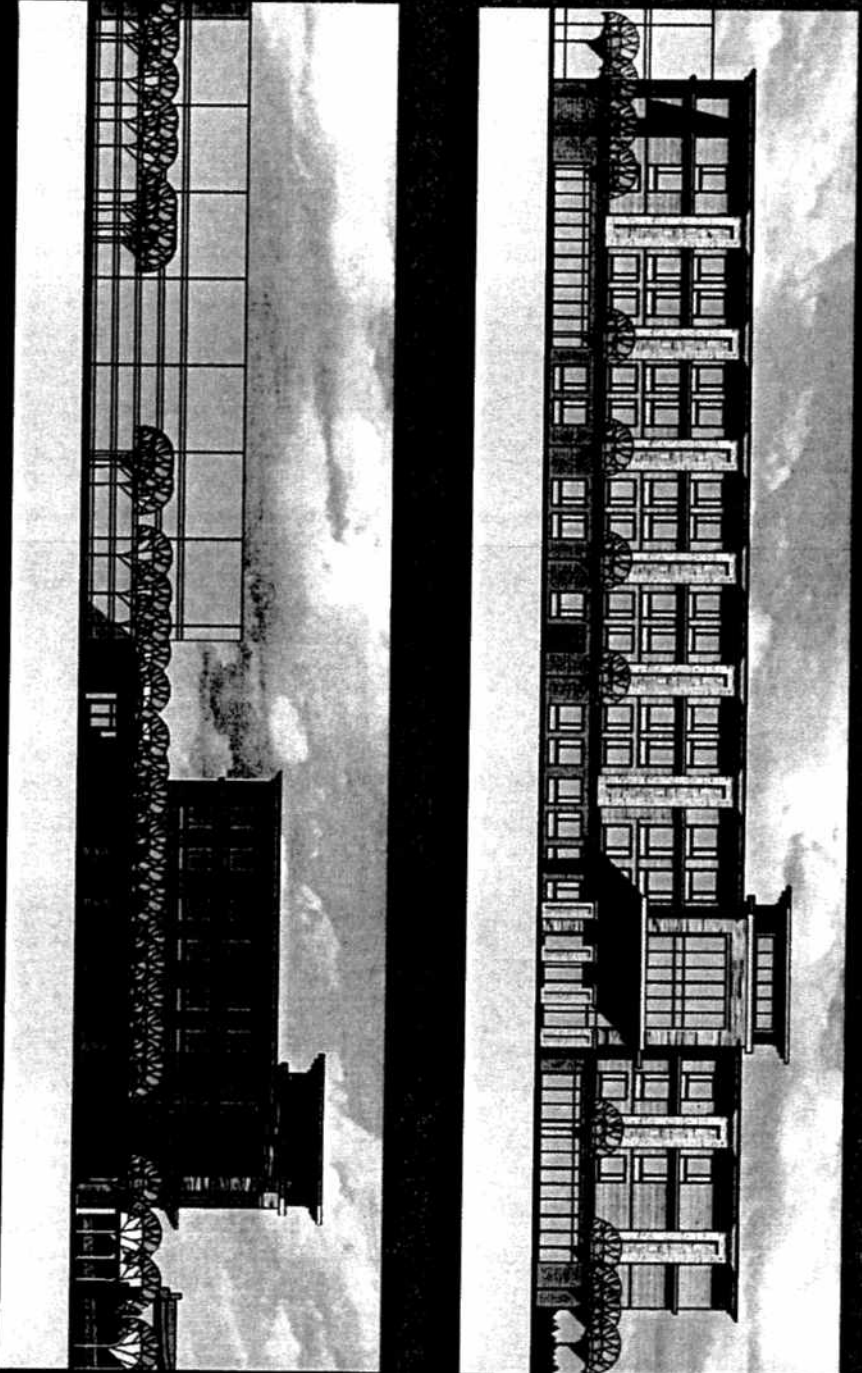


# Hotel Research for Michigan Associations and Societies

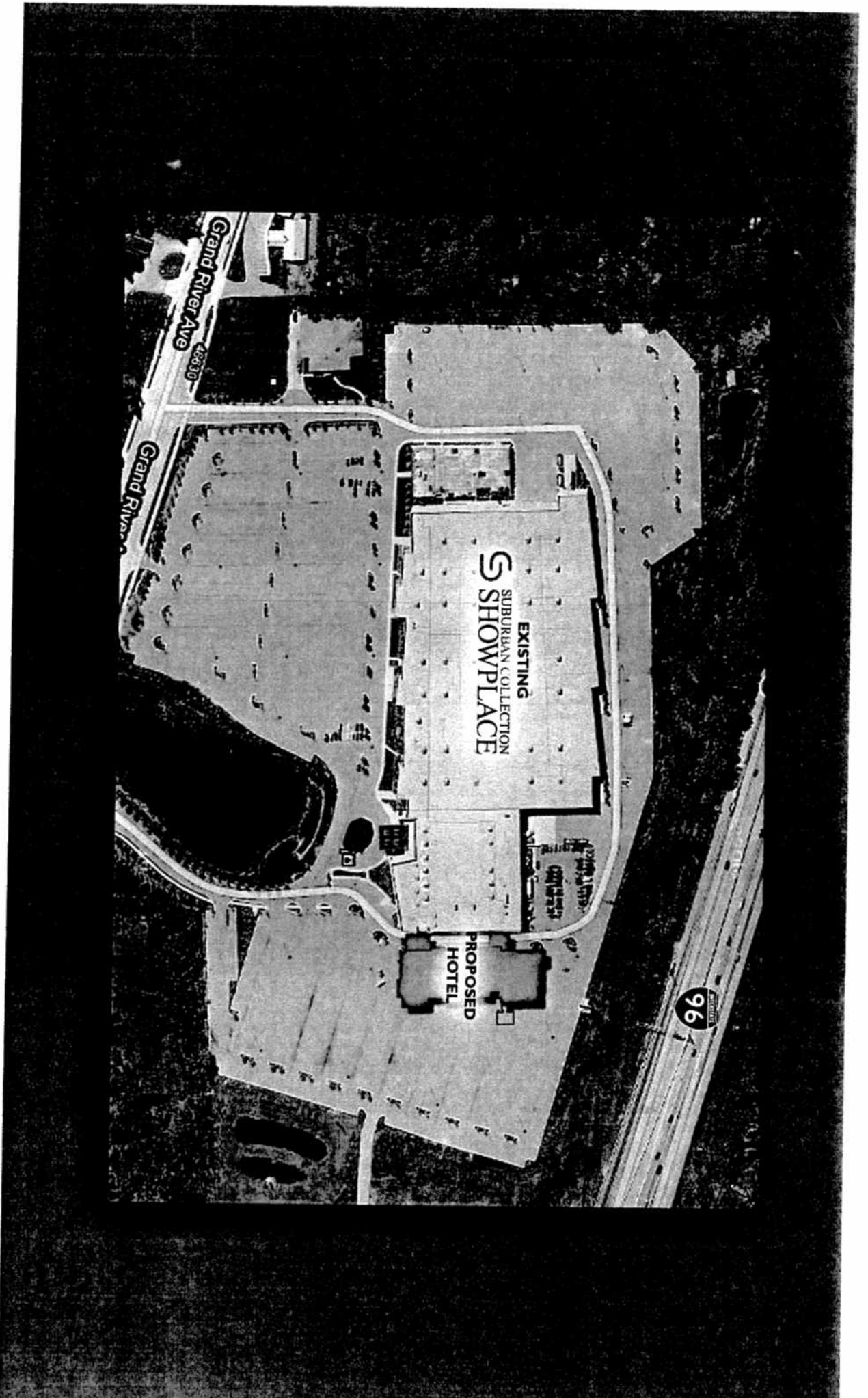
	January		February		March		April		May		June		July		August		September		October		November		December	
	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak	Room Nights	Room Peak
Michigan State Troopers Association 4 Events a Year	195						195						195						195					
MAAP-Old Michigan Publics Purchasing Officers Association 3 Events a Year							10	10	90	90									195					
NAPEMB World Congress International Association for the Engineering Analysis Community Detroit Metropolitan Association 7 Events a Year																			30	30				
MAEA- Michigan Society of Association Executives 2-3 Events a Year													20	20	20	20								
MAFPA- Michigan Association of Certified Public Accountants SAP International Society of Automotive Engineers 1 Event a Year									10	10	50	30					10	10	10	10	10	10	10	10
Michigan Credit Union League 5-7 Events a Year			30	10	250		500		250										300	150				
Michigan Association of Public Employees Retirement Systems 3 Events a Year			25	25					1,100								1,200		300					
MAA- Michigan Association of School Administrators 8 Events a Year	400						120	75									1,100							
Michigan Association of Chiefs of Police 2 Events a Year			500														1,100		1,100					
Michigan Association of Fairs and Exhibitions 25 Events a Year	48	12	48	12	48	12	48	12	48	12	1,530		220	85										
Michigan Association of Non-Public Schools 1 Event Vary 2-3 Events every 3 Years													20	20					48	12	48	12	48	12
MAHB- Michigan Association of Home Builders 3 Events a Year			20	20															800		150			
Michigan Association of Community Mental Health Boards 75-100 Events a Year					200	100						50	50						20	20				
Michigan Association of School Boards 10-15 Events a Year varied every month	10	10	100	50	100	45	300	100	100	50	250	75	1,200		50	50	150	75	450		150	50	100	75

[illegible]

PROPOSED HOTEL  
EXTERIOR ELEVATIONS

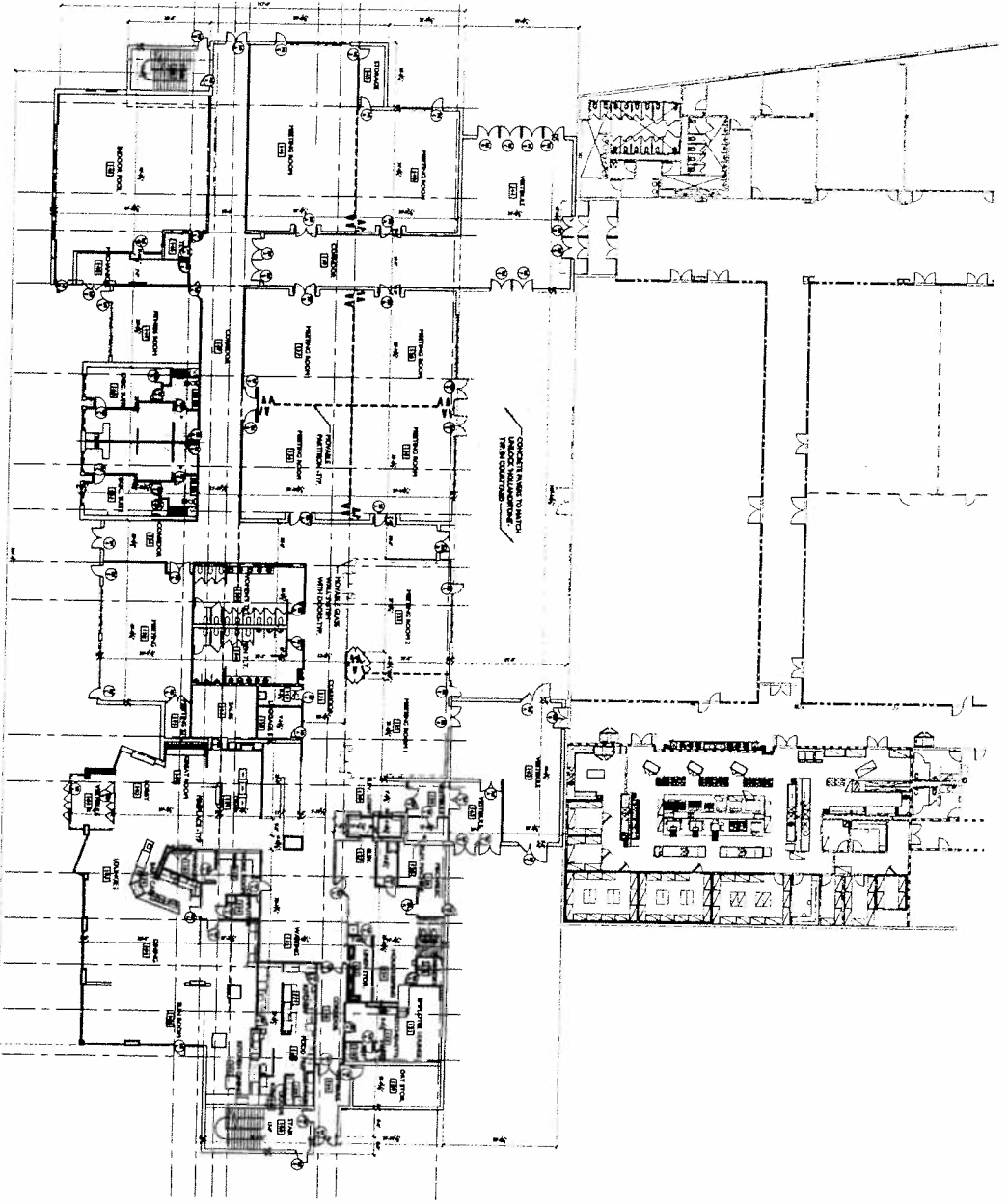








FIRST LEVEL FLOOR PLAN



- GENERAL NOTES
1. ALL ROOMS SHALL BE 8' 0" MIN. CLEARANCE.
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